

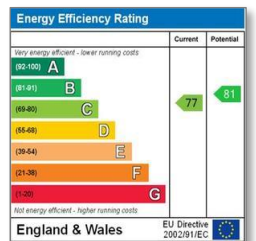


Exmoor National Park Within Somerset West & Taunton:

Local Housing Needs Assessment 2021

Report of Findings

October 2021





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1. Introducing the Study

Background to the project and wider policy context

Introduction

- ^{1.1} In 2019, Opinion Research Services (ORS) was commissioned by South Somerset and Somerset West & Taunton District Councils to prepare a Local Housing Needs Assessment (LHNA) for the period 2020-2040 to identify the size, type and tenure of homes that will be needed in the future, and the housing needs of different groups, including affordable housing.
- ^{1.2} Within this study, modelled outputs were produced for Exmoor National Park (NP) within Somerset West & Taunton. These considered the need for housing in Exmoor NP with Somerset West & Taunton over the period 2020-40, using a variety of approaches. These approaches included alternate methods for calculating housing need compared to those which were used as part of the evidence base for the existing Exmoor NP Local Plan 2011-31.
- ^{1.3} This current study provides a more detailed assessment of the housing needs of Exmoor NP within Somerset West & Taunton. For this current study we will consider the needs of Exmoor NP within Somerset West & Taunton for the period 2020-31 and also outline what the same approach would have yielded if it had been applied in 2011 for the period 2011-31. The study does not set out to re-write the evidence base for Exmoor NP, but instead considers what would have been the modelled estimates for housing need if information which is now available had been used to model the needs.

Exmoor NP Local Plan

- ^{1.4} Exmoor National Park Authority (NPA) sits within the wider administrative areas of Somerset West & Taunton District Council and North Devon District Council. This study relates only to the area within Somerset West & Taunton. Exmoor NPA is its own Local Planning Authority with an existing Local Plan.
- ^{1.5} Exmoor NP have an existing Local Plan 2011-31. The final evidence for housing needs for the Local Plan was prepared during the Exmoor NP Local Plan Examination in 2016. In light of the special circumstances of the National Park, the report provided an updated assessment of affordable housing need for Exmoor NP to inform the Exmoor NP Local Plan Indicative Housing Need figure.¹ This gave an overall housing need 2011-31 of 406 dwellings. With uplifts this rose to 541 (market and affordable housing) across both the West Somerset and North Devon parts of Exmoor NP.
- ^{1.6} The adopted Exmoor NP Local Plan focuses on locally generated affordable housing need and does not intend to meet the general market needs projected for the National Park area (as set out in chapter 6 of the Local Plan)

6.1 The housing policies in this section provide the framework to address the housing needs of the National Park's local communities and to ensure that the level of housing development is compatible with the conservation and enhancement of Exmoor. The focus is on addressing the needs of those people who live

¹ https://www.exmoor-nationalpark.gov.uk/data/assets/pdf_file/0027/229068/EX31-Housing-Vision-September-2016-Northern-Peninsula-2014-Household-Projections-for-Housing-V2-amended.pdf

and work in the area, prioritising the need for affordable housing and ensuring that the National Park's housing stock as a whole meets the needs of all sections of the local community. Providing a range of accommodation types and sizes and thereby a better mix of housing should help create more balanced, living and working communities. This will be achieved through a needs led rural exceptions approach in order to maximise the ability to deliver affordable housing. This Plan also makes provision for housing for rural workers and accessible and adaptable homes for older people.'

- 1.7 The Exmoor NP Local Plan is only providing for the affordable housing element arising in the (then) West Somerset part of Exmoor NP and this amounts to 238 dwellings over 20 years, or 12 per annum. The North Devon element of the figure is included in the North Devon & Torridge Local Plan housing requirement. In practice, the adopted ENP Local Plan (paragraphs 6.32, 6.37-38 and 11.6) says that while the affordable need figure of 238 units is helpful in framing the Local Plan housing strategy to 2031, the approach to housing delivery is to follow a needs led rural exceptions approach and the housing figure should not be used in determining individual planning applications. Instead, parish household need surveys will be the basis for assessing planning applications for affordable local need housing to enable housing to be delivered where it is needed.
- 1.8 Policy M1-S1 'Monitoring and Review of Affordable Housing Need and Provision' of the adopted ENP Local Plan requires the National Park Authority to complete a review of the indicative affordable housing need figure for the Plan period set out in paragraph 6.32 of the Plan (238 affordable dwellings), on the basis of the latest available evidence. An increase of more than 20% in the Plan's indicative affordable housing need figure of 238 dwellings 2011-31 would trigger a full or partial review of the Plan.

Government Policy for National Parks

- 1.9 The Government's policy approach to planning for housing need in National Parks is different to that of other Local Planning Authorities.
- 1.10 The area's status as a National Park has implications for new housing. National Parks have two statutory purposes which relate to conservation/enhancement of the area and public understanding and enjoyment of the National Park's special qualities.² In pursuing these purposes, the Act places a duty on National Park Authorities (NPAs) to seek to foster the economic and social well-being of local communities within their National Park. They should also co-operate with local authorities and public bodies whose functions include the economic or social development within the National Park.³ Legislation places a general duty on all relevant authorities, including NPAs and other public bodies, to have regard to National Park purposes. The NPPF says that great weight should be given to conserving landscape and scenic beauty in National Parks which have the highest status of protection in relation to these issues. The conservation and enhancement of wildlife and cultural heritage should be given great weight. The scale and extent of development within these designated areas should be limited⁴
- 1.11 National policy on plan-making is that strategic policies should provide for objectively assessed needs and any needs that cannot be met in neighbouring areas unless the protection of areas or assets of particular importance (including National Parks) provides a strong reason for restricting the overall scale, type or

² Environment Act 1995. The two purposes are 1. To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park; and 2. Promote opportunities for the understanding and enjoyment of its special qualities by the public.

³ Section 62 of the Environment Act

⁴ NPPF (2021) paragraph 176

- distribution of development in the plan area.⁵ Joint working between strategic policy-making authorities should help determine whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.⁶ This would be applicable to the development needs of a National Park.
- 1.12 The Government published the original National Policy Planning Framework (NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied. A revised version of the National Policy Planning Framework was published in July 2018. The NPPF was further updated in February 2019 to incorporate a number of detailed changes following a technical consultation and again in July 2021.
- 1.13 Under the NPPF February 2019 (carried over into the NPPF 2021), local planning authorities are still responsible for assessing their local housing needs. The current NPPF 2021, Paragraph 61 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. When first introduced in the NPPF 2019 this represented a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation.
- 1.14 However, Planning Practice Guidance (PPG) on Housing and Economic Needs at paragraph 14 states that an Area such as Exmoor NP can identify its own housing needs based upon local evidence, rather than follow the national standard method for Local Housing Need set out for local authority areas. :

Where strategic policy-making authority boundaries do not align with local authority boundaries, or data is not available, should the standard method be used to assess local housing need?

Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.

Planning Practice Guidance, ID: 2a-014-20190220

- 1.15 The National Park Circular⁷ says plan policies should respond to local housing needs. The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused upon meeting affordable housing requirements, supporting local employment opportunities and key services.

Exmoor NP in Somerset West & Taunton

- 1.16 As part of the South Somerset and Somerset West & Taunton Local LHNA 2020, ORS undertook an assessment of the housing needs for Exmoor NP within Somerset West & Taunton. In summary the model adopted the following data sources:

⁵ NPPF (2021) paragraph 11

⁶ NPPF (2021) paragraph 26

⁷ English National Parks and the Broads UK Government Vision and Circular 2010 - provides policy guidance specifically for the English National Parks for all those whose decisions or actions might affect them.

- » **Backlog of Need:** Exmoor NPA is not a housing authority, so the backlog of current need is predominantly drawn from data from Somerset West and Taunton which have then been apportioned to Exmoor NP within Somerset. This gives a small backlog of need.
- » **Population Estimates:** The estimated population for Exmoor NP within Somerset has been drawn from mid-year population estimates at Lower Super Output Area (LSOA) level. The boundaries of the NPA do not follow LSOA boundaries, so we have best fitted the data to the NPA area.
- » **Population Projections:** The population projections have been derived using trends from within the changes of the population estimates. Migration trends have been estimated for the national park based upon the growth in population each year minus any changes due to births and deaths.
- » **Household Projections:** To convert population projections to household projections requires the use of household headship rates. These have never been produced for national parks, so for Exmoor NP within Somerset West & Taunton we have used the headship rates for the old local authority of West Somerset. Exmoor NP formed a significant part of West Somerset so there is a high degree of overlap between the areas. What this means is that for example, the probability that a 50 year old man living in Exmoor NP is part of a couple without children is the same as the probability of a 50 year old man in West Somerset being part of a couple without children.
- » **Vacant, Holiday and Second Homes:** the household projections are uplifted to consider the impact of properties which are not occupied. For areas such as national parks, we use data from the 2011 Census, which gave a total rate of 16% being second homes or vacant.⁸
- » **Household Affordability:** Modelling household affordability is a complex process which draws upon a wide range of data. It takes the type of households projected to be living in an area and considers their affordability. Therefore, if there is projected to be a growing number of young family households in an area this will have a different impact on the need for affordable housing than if the growth in households is coming from older persons. The model uses is based upon a mixture of data sources covering the tenure of existing households, house prices, rents, housing benefit take-up and incomes, all of which interact with each other.

^{1.17} The modelled housing needs for Exmoor NP within Somerset West & Taunton were produced as Figure 77 within the South Somerset and Somerset West & Taunton Local LHNA 2020 and have been reproduced below as Figure 1. As a summary of the approach adopted in this study, the affordable housing needs set out consider the backlog of need in 2020, the likely newly arising need in the period 2020-40 and then consider the level of affordable housing likely to become available from out-migration and dissolutions of households in the period 2020-40. Each of these factors will be explored in more detail for the period 2020-31 in the current study.

^{1.18} Overall, we proposed that the 5-year migration trend model which shows a need for 196 dwellings over the 20 year period, or 10 dwellings per annum is the best model for Exmoor NP. This is the total need for housing, with the affordable housing need being 109 dwellings over the 20 year period, or 5.5 dwellings per annum. This figure is consistent with the 5 year migration trends used in the standard method for Local Housing Need for Somerset West & Taunton, but allows for the differences in population structure between Exmoor NP and the wider local authority. We retained the simple proportion of Somerset West & Taunton LHN and also

⁸ This closely matches the 16.5% rate used in the Strategic Housing Market Assessment Update: Exmoor National Park March 2015 for the area of Exmoor National Park in West Somerset. The vacancy rate for Exmoor National Park in North Devon is higher at 26.5%, giving an overall average around 19%.

the 10 year migration model for transparency, but we recommended focusing upon the 5 year migration trend model and that continues to be the case in this current study.

Figure 1: Household need 2020-31 for Exmoor NP within Somerset West & Taunton based on three alternative assumptions
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Affordable Home Ownership			
	Social rent	Affordable Rent				
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2020-31 – SIMPLE PROPORTION OF LA LHN						
1 bedroom	62	4	37	103	-25	78
2 bedrooms	72	13	54	138	30	169
3 bedrooms	36	11	37	83	266	350
4+ bedrooms	12	5	4	22	125	146
DWELLINGS	182	33	132	347	395	742
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2020-31 – 5 YEAR BASED MIGRATION PROJECTION						
1 bedroom	17	1	10	28	-7	21
2 bedrooms	30	5	23	58	13	71
3 bedrooms	9	3	9	20	64	83
4+ bedrooms	2	1	1	3	17	20
DWELLINGS	57	10	42	109	87	196
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2020-31 – 10 YEAR BASED NET MIGRATION PROJECTION						
1 bedroom	1	0	1	2	-1	2
2 bedrooms	-11	-2	-9	-22	-5	-27
3 bedrooms	-10	-3	-11	-24	-77	-101
4+ bedrooms	-4	-2	-1	-7	-43	-50
DWELLINGS	-25	-7	-20	-51	-125	-176

^{1.19} This current study builds upon the work undertaken in the South Somerset and Somerset West & Taunton LHNA 2020, but is not a direct replication of it. In particular the current study uses:

- » Different time periods in that it covers 2020-31 and 2011-31 rather than 2020-40;
- » New affordability, population, fertility and mortality rate data which has been published since the time of the South Somerset and Somerset West & Taunton LHNA 2020 has been incorporated in the current study. This in turn means that the approach adopted in the LHNA 2020 wouldn't yield the same outputs now; and
- » The data for second homes and vacancies has been revised to take account of more local information provided by Somerset West & Taunton District Council.

^{1.20} The next section of this report considers the background information for Exmoor NP, before Chapter 3 considers the housing needs for 2020-31 and 2011-31.

2. Local Housing Market

The starting point for establishing Local Housing Need

Introduction

^{2.1} As background information and context for this study, the following sections outline some of the key characteristics of the housing market of Exmoor NP within Somerset West & Taunton.

Housing Stock by Size

^{2.2} Figure 2 shows the housing stock of Exmoor NP within Somerset West & Taunton by tenure and number of bedrooms. In general, the owner-occupied stock is dominated by 3+-bedroom properties (77%).

^{2.3} In general, 2 and 3 bedrooms are the most common private rented property size. In social rent there are relatively more 1 bedroom properties, with these accounting for 19% of the stock.

Figure 2: Dwelling stock by tenure and number of bedrooms (Source: UK Census of Population 2011)

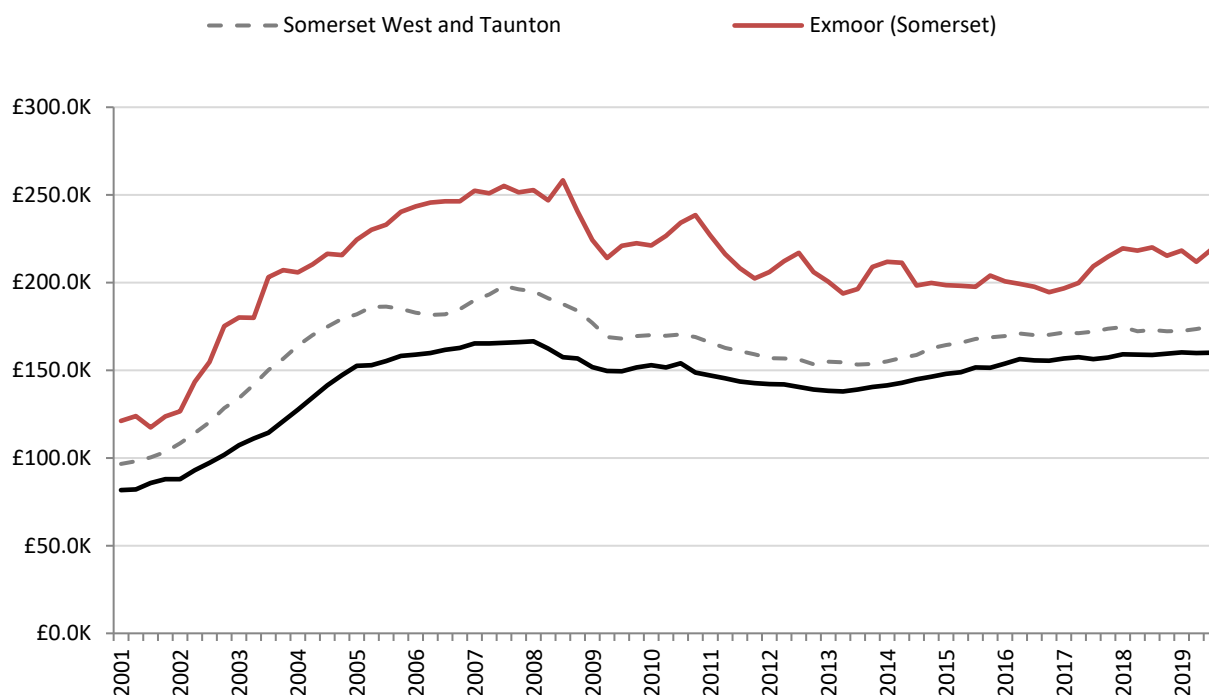
Property Type	Owner Occupied	Private Rent	Social Rent	TOTAL
Exmoor NP within Somerset West & Taunton				
1 bedroom	45	81	123	249
2 bedrooms	596	279	278	1,153
3 bedrooms	1,211	281	200	1,692
4+ bedrooms	910	150	37	1,097
Total	2,762	791	638	4,191

Cost of Home Ownership

^{2.4} House price trends (2001-2019) are shown in Figure 3 based on lower quartile house prices. Lower quartile prices are used to consider the entry level price for home ownership. Of course, the value of money has also changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in house prices since 2001.

^{2.5} It is evident that real house prices in Exmoor NP within Somerset West & Taunton increased substantially in the period 2001-2008 (from £121,200 to £258,300 at 2019 values) and have been consistently higher than the Somerset West & Taunton and England prices. Values reduced during the economic downturn to around £214,000 by mid-2009 and continued to decline over the period to 2013 reaching a low point of £193,800; but have since increased to a value of £218,800 by mid-2019.

Figure 3: Real House Price Trends: Lower Quartile Prices adjusted to 2019 values using CPI (Source: ONS; Bank of England)



Recent Dwellings Delivery

2.6 Figure 4 shows the level of recent dwelling completions in Exmoor NP since 2011. In the ten year period 2011-21, a total of 199 dwellings were completed with 82 of these being affordable. However, a fifth of all the completions, and nearly a third the affordable housing completions, occurred in 2011-12. Since that time the total number of completions has averaged around 18 dwellings per annum, but 2020/21 did see the highest level of completions since 2011/12.

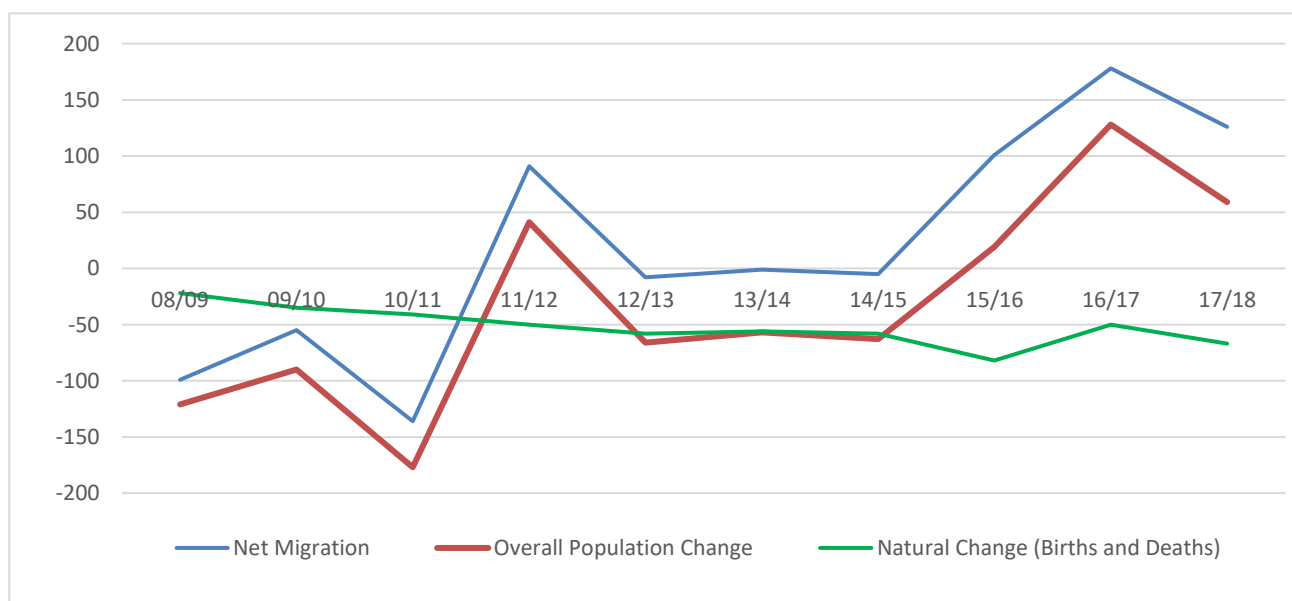
Figure 4: Dwelling Completions for Exmoor NP 2011-2020 (Source: Annual monitoring Reports and Exmoor NP Records)

Year	Affordable	Market	Total
2011/12	26	16	42
2012/13	3	15	18
2013/14	20	6	26
2014/15	4	6	10
2015/16	4	10	14
2016/17	0	18	18
2017/18	2	12	14
2018/19	2	16	18
2019/20	1	8	9
2020/21	20	10	30
TOTAL	82	117	199

Migration

- 2.7 The existing Exmoor NP Local Plan 2011-31 evidence base included an apportioning of housing need for North Devon and the old authority of West Somerset (now part of Somerset West & Taunton) based upon studies for the wider area. However, the demographic structure of Exmoor NP is different to the wider areas. While we included outputs from a similar approach in both the South Somerset and Somerset West & Taunton LHNA 2020 and this current study, we do not recommend that it is utilised for policy purposes because the population of Exmoor NP is different in structure from that of Somerset West & Taunton as a whole.
- 2.8 As part of the South Somerset and Somerset West & Taunton LHNA 2020, a bespoke population estimate for Exmoor NP within Somerset West & Taunton was made. As noted above, this was based upon a best fit approach to Lower Super Output Areas using Mid-Year Population Estimates. Figure 5 shows that natural change in the portion of the Exmoor NP within Somerset West & Taunton has been steadily negative over the last decade, whereas inward migration has varied considerably, being negative in six out of the ten years 2008-18. The net impact of these changes are that the resident population of Exmoor NP is estimated to be lower now than it was a decade earlier.

Figure 5: Net migration levels to the portion of Exmoor NP within Somerset West & Taunton 2008/09 to 2017/18 (Source: ONS Mid-Year Estimates)



- 2.9 As a result of this variability in migration levels, population projections are very sensitive to the time period which informs the trend being projected forward. Utilising a ten-year trend (2008-18) yields a negative change in households 2020-31, whereas utilising a five-year trend (2013-18) yields a positive change. The resultant housing need that each of these three options yields (simple proportioning, 5-year trend, 10-year trend) are represented in Figure 6. However, the migration data from 2008-2010 is particularly low, so we would suggest that those figures should also be excluded and instead we focus upon the 5 year migration trends from 2013-2018.

Figure 6: Household projections 2020-31 and 2011-31 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

	Migration Trend Period	Change in Households	
		2020-31	2011-31
5 year migration trends (2013-18)		+139	+365
10 year migration trend (2008-18)		-77	+149
Apportionment of Somerset West & Taunton needs		+438	+664

Projected Population Age Profile Based Upon 5 Year Migration Trends

^{2.10} Figure 7 shows the projected change in Exmoor NP within Somerset West & Taunton population by 5-year age band for the 11-year period 2020-31 based upon the 5 year migration trend projections. The projection shows a steep decline in the population aged 50-64 years, a rise in those aged over 65 years and little change in younger age groups.

^{2.11} While the changes may appear to be dramatic, they do reflect the current population of Exmoor NP within Somerset West & Taunton. For example, it is estimated that there are 834 persons aged 55-59 years in the area in 2020. However, there are only 358 persons aged 45-49 years. This group will form the core of the 55-59 year old group in 2031. Even allowing for net in-migration from those aged 55-59 years by 2031 it is projected that the total number in this age range will be 519 persons. It is of course possible for the group aged over 80 years may leave Exmoor NP in search of better nursing care options, but overall the trends of net migration and an already ageing population will see a drop in the older working age population.

Figure 7: Population projections 2020-31 by 5-year age cohort for Exmoor NP within Somerset West & Taunton (Source: ONS 2016 based sub-national projections)

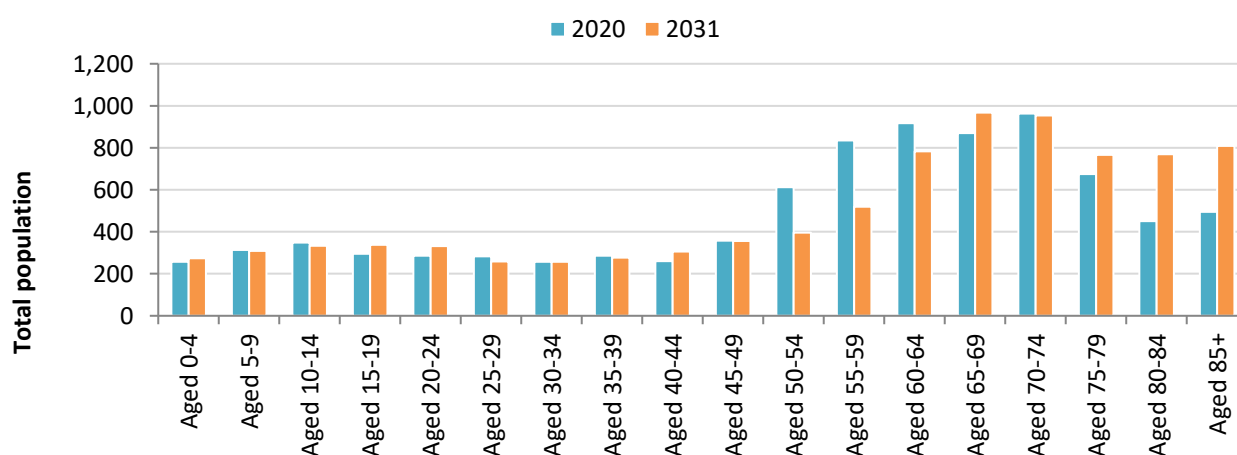
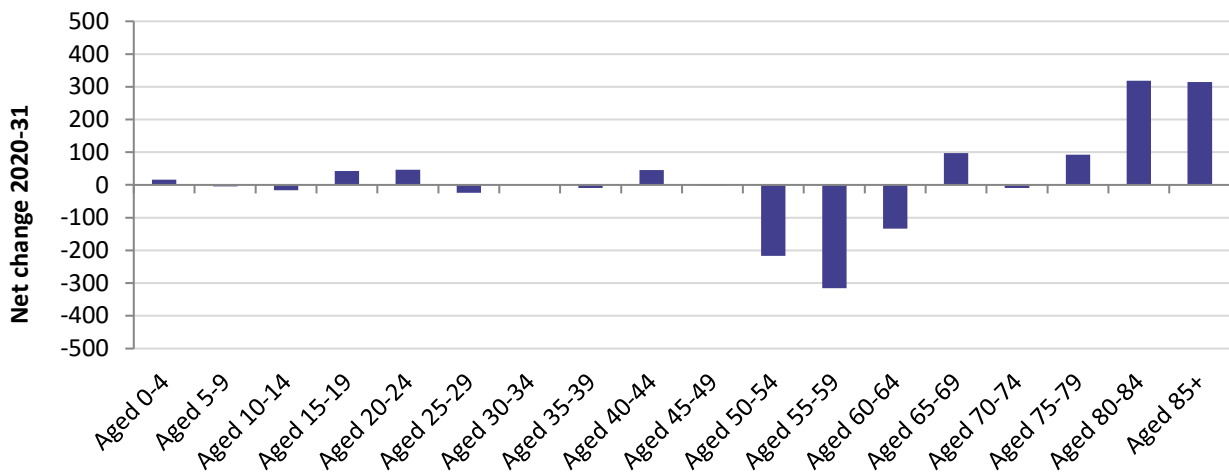


Figure 8: Change in population projections 2020-31 by 5-year age cohort for Exmoor NP within Somerset West & Taunton (Source: ONS 2016 based sub-national projections)



2.12 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.

2.13 Figure 9 show the net change in projected household numbers for Exmoor NP within Somerset West & Taunton between 2020 and 2031 based on the trend-based projections by household type and age. This data relates to all households, not just those in affordable housing need and it shows how households are likely to change by type and age over the next 11 years. The data is then used to underwrite the modelling of housing need set out below.

2.14 Given the overall size of the population for Exmoor NP within Somerset West & Taunton, the numbers in some categories are small, but overall trends are clear. This shows a growing number of single person households in the area, with a small decline in couple without children and little change in family or other households.

Figure 9: Summary of 11-year change by household type and age of household representative for Exmoor NP within Somerset West & Taunton (Note: Figures may not sum due to rounding. Source: ORS Model)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Change 2020-2031									
Single person	1	-3	1	-34	-75	-30	216	94	169
Couple without children	2	-3	-4	-63	-170	65	64	72	-38
Families with child(ren)	4	-5	24	-25	-7	2	11	4	8
Other households	2	3	-2	-9	-13	-1	1	18	0
TOTAL CHANGE	9	-8	19	-131	-266	36	291	189	139
%age of Total Change	6%	-6%	14%	-94%	-191%	26%	209%	136%	100%

3. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 3.1 The definition of affordable housing was changed by the NPPF, with a specific emphasis now placed on affordable home ownership and this change has been continued into the NPPF 2021. Annex 2 of the Revised NPPF now defines affordable housing as being:

Affordable housing

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

Revised NPPF 2021, Annex 2

- 3.2 To reflect this change, relevant paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “Housing needs of different groups” published on 22nd July 2019⁹, which covered:
- » Addressing the need for different types of housing
 - » Affordable housing
 - » Rural Housing
- 3.3 The changes between the archived PPG and the current revision are highlighted below:

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.

The unmet (gross) need for affordable housing by assessing (sic) past trends and current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, **either to rent, or to own, where that is their aspiration.***

Planning Practice Guidance, ID 2a-020-20190220

Emphasis added shows change introduced in September 2018

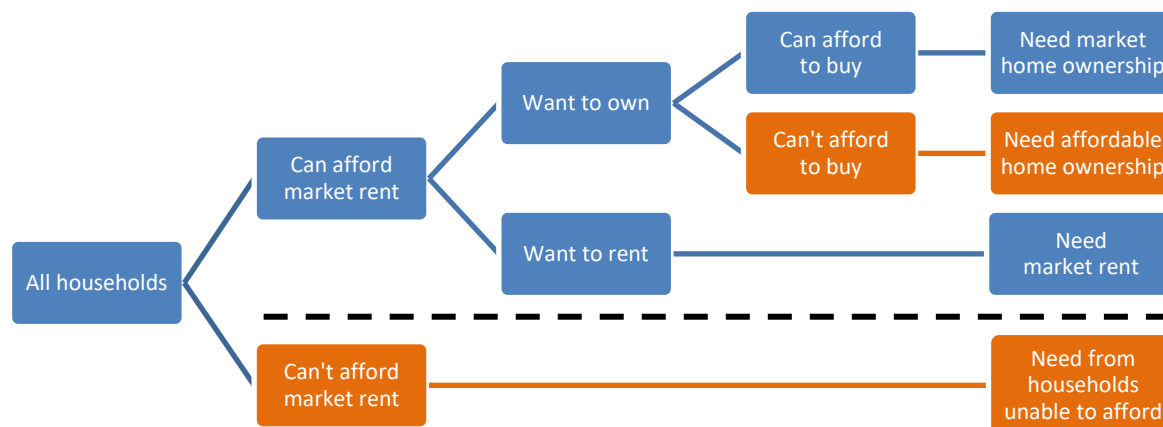
⁹ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

- 3.4 On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs. This is therefore a different definition of affordable housing to the one used in the current Exmoor NP Local Plan.
- 3.5 However, the Exmoor NP Local Plan evidence base did consider intermediate tenures including shared ownership and owner occupied affordable housing. Therefore, while the definition of affordable housing need has been updated since the time of the Exmoor NP Local Plan, the document did consider the need for intermediate housing tenure.

Establishing the Need for Affordable Housing to Rent and to Own

- 3.6 Demographic projections provide the basis for identifying the overall need for all types of housing, including both market housing and affordable housing. There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing; however, when considering the needs of households who can afford to rent but would prefer to own, it is necessary to further develop the existing methods given that PPG provides no additional guidance on how this need should be assessed.
- 3.7 Figure 10 illustrates the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that can't afford market rent need to be added to the needs of those that can afford market rent but who want to own but can't afford to buy. While, as discussed below, Exmoor NP is exempt from some affordable housing policies such as First Homes, the gap in the market between those who can afford to own and those who can only afford to rent does still exist and has therefore been modelled in this study.

Figure 10: Establishing the need for market and affordable housing



Affordable Housing Need: Households Unable to Afford

- 3.8 PPG notes that affordable housing need is based on households “*who lack their own housing or who cannot afford to meet their housing needs in the market*” [ID 67-006-20190722]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but can't afford to buy. Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying or renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.

- 3.9 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.

Planning Practice Guidance, ID 67-008-20190722

Current Unmet Need for Affordable Housing

- 3.10 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.

The unmet (gross) need for affordable housing by assessing (sic) past trends and current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance, 2a-020-20190220

Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

- 3.11 Exmoor NP is a planning authority, but housing matters for the area are covered by Somerset West & Taunton and North Devon District Councils. This means that separate data is not collected by Exmoor NP for measures of current housing need. Therefore, all data in this section relates to an apportionment of the housing need of Somerset West & Taunton.

- 3.12 Households assumed to be unable to afford housing include:

- » All households that are currently **homeless**;
- » All those currently housed in **temporary accommodation**; and

- » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

- 3.13 Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of 2020.
- 3.14 The analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Exmoor NP within Somerset West & Taunton.
- 3.15 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household; and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.
- 3.16 When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 3.17 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). The needs of these households are counted when establishing the need for affordable housing.
- 3.18 Figure 11 sets out the assessment of current affordable housing need for Exmoor NP within Somerset West & Taunton.

Figure 11: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

EXMOOR NP WITHIN SOMERSET WEST & TAUNTON	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	1		1	1
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	1		1	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Households accepted as homeless but without temporary accommodation provided	1		1	1
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	11		11	11
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	14		14	
Households living in overcrowded social rented housing	20	20	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	34	5	29	
People who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	82	25	57	13

^{3.19} Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that **82 households in Exmoor NP within Somerset West & Taunton are currently living in unsuitable housing and are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

^{3.20} Of these households, 25 households currently occupy affordable housing that does not meet their current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 57 households in Exmoor NP within Somerset West & Taunton (82 less 25 = 57) that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

^{3.21} These numbers include a total of 13 households that would not be counted by the household projections because of their being homeless or concealed households.

Projected Future Affordable Housing Need

^{3.22} In terms of establishing **future** projections of affordable housing need, PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?

Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.

Planning Practice Guidance, ID 2a-021-20190220

- 3.23 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Local Housing Need (LHN). The Model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 3.24 Whilst PPG identifies that “*Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need.*” [ID: 2a-021-20190220], **the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 3.25 The affordability percentages in Figure 12 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 12: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON						
Single person household	23%	13%	60%	51%	36%	30%
Couple family with no dependent children	17%	9%	29%	12%	10%	18%
Couple family with 1 or more dependent children	43%	70%	33%	23%	9%	41%
Lone parent family with 1 or more dependent children	99%	94%	73%	59%	24%	35%
Other household type	10%	48%	45%	28%	29%	16%

Establishing the Future Affordable Housing Need for Households Unable to Afford

- 3.26 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” [ID 2a-021-20190220] suggesting that “*the total need for affordable housing should be converted into annual flows*” [ID 2a-024-20190220].

- 3.27 Together with information on household type, Figure 12 provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household.

Figure 13: Newly forming and in-migration: Annual components of Household Growth 2020-31 in Exmoor NP within Somerset West & Taunton (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Exmoor NP within Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	65	42	22	35%
Households migrating into the area	237	164	73	31%
All new households	302	206	95	32%

- 3.28 The ORS Model identifies 65 new households projected to form in Exmoor NP within Somerset West & Taunton each year, of which 35% will be unable to afford their housing costs. This amounts to 22 households each year.
- 3.29 The model also considers new households migrating to the area. The projection is for 237 households per annum of which 31% (73 households) will be unable to afford their housing costs.
- 3.30 **This results in a total of 95 new households in need of affordable housing.** (Figure 13).
- 3.31 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

Figure 14: Dissolution and out-migration: Annual components of Household Growth in Exmoor NP within Somerset West & Taunton 2020-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Exmoor NP Within Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	88	66	22	25%
Households migrating <u>out</u> of the area	201	136	65	32%
All households no longer present	289	202	87	30%

- 3.32 In Exmoor NP within Somerset West & Taunton, the model identifies 88 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 22 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.
- 3.33 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 201 households will migrate out of the area each year, including 65 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

- 3.34 **Altogether, there are 87 households annually who will vacate affordable dwellings or will no longer be waiting for a home in Exmoor NP within Somerset West & Taunton (Figure 14).**
- 3.35 PPG also identifies that it is important to estimate “*the number of existing households falling into need*” (ID 2a-021). Whilst established households that continue to live in the local authorities will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 117 established households in Exmoor NP within Somerset West & Taunton will fall into need each year.
- 3.36 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 3.37 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 14 households in Exmoor NP within Somerset West & Taunton respectively will improve such that they become able to afford their housing costs having previously being unable to afford.
- 3.38 **Therefore, considering the changing needs of existing households overall, there is a net decrease of 3 existing households needing affordable housing each year in Exmoor NP within Somerset West & Taunton (Figure 15).**

Figure 15: Existing households: Annual components of Household Growth in Exmoor NP within Somerset West & Taunton 2020-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Exmoor NP Within Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-11	+11	100%
Existing households climbing out of need	-	+14	-14	0%
Change in existing households	-	+3	-3	-

- 3.39 The following tables (Figure 16) summarise the overall impact of:
- » new households adding to housing need,
 - » the households no longer present reducing housing need and
 - » the changes in circumstances impacting existing households.

Figure 16: Summary annual components of Household Growth in Exmoor NP within Somerset West & Taunton 2020-31 (Source: ORS Housing Model)

Exmoor NP Within Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	302	206	95
All households no longer present	289	202	87
Change in existing households	-	3	-3
Future affordable housing need 2020-31 (Annual average)	+13	+7	+5

3.40 Overall reviewing the contribution of each element amounts **to an additional 5 households needing affordable housing in Exmoor NP within Somerset West & Taunton, annually over the 11-year period 2020-31.**

Overall Affordable Housing Need for Households Unable to Afford

3.41 Figure 17 brings together the information on assessing the unmet need for affordable housing in 2018 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 11-year period 2020-31.

Figure 17: Assessing total need for market and affordable housing for Exmoor NP within Somerset West & Taunton (Source: ORS Housing Model)

Exmoor NP Within Somerset West & Taunton	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Unmet need for affordable housing in 2020 (see Figure 11)			
Total unmet need for affordable housing (a)	-	82	82
Supply of housing vacated (b)	44	25	69
Current housing need (c) = (a) - (b)	-44	57	13
Projected future housing need 2020-31 (see Figure 16)			
Average annual housing need (d)	7	+5	+13
Future housing need (e) = (d) x 11	+81	+58	+139
Total need for market and affordable housing (f) = (c) + (e)	+37	+115	+152
Average annual household growth (g) = (f) / 11	+3	+10	+14

3.42 Overall, in Exmoor NP within Somerset West & Taunton, there is a need to provide affordable housing for 115 households (76% of the projected total need for market and affordable housing) unable to afford to rent or buy over the Plan period 2020-31 which equates to **10.5 households per year.**

Summary for Households Unable to Afford Market Housing

3.43 In Exmoor NP within Somerset West & Taunton, the housing mix analysis identified a need to provide additional affordable housing for 115 households over the 11-year period 2020-31.

3.44 These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

- 3.45 However, it is important to recognise that this need is based on a relatively stringent assessment of affordability insofar as it is predominantly households that would be eligible for welfare support that are counted within the identified affordable housing need. There are likely to be other households who are spending a high proportion of their gross income on housing costs but who are not eligible for welfare support (in terms of their housing) and are therefore not counted. Given that the assessment focusses on only those households with the most acute housing needs, the affordable housing need identified should be considered as a minimum.
- 3.46 The analysis also identifies that 65 households in Exmoor NP within Somerset West & Taunton unable to afford their housing costs are likely to move away from the area. Some might prefer to stay in the areas if housing costs were less expensive or if more affordable housing was available. However, the model also assumes that 73 households each year who cannot afford market housing move to Exmoor NP within Somerset West & Taunton.

Affordable Housing Need: Households Aspiring to Home ownership

- 3.47 Considering aspirations for home ownership, English Housing Survey data identifies that just over a quarter (28.8%) of those currently renting privately plan to stay in that tenure in the long-term, compared to over three quarters (77.0%) of those households in social rent. Over half (53.5%) of all households who rent privately and almost a fifth (18.1%) of those in social rented housing aspire to home ownership.

Figure 18: Long-term Tenure Plan by Current Tenure (Source: English Housing Survey 2013-14)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

- 3.48 Considering the long-term expectations of the different types of households who currently live in the private rented sector, Figure 19 compares the expectations of those who are currently in receipt of housing benefit with those who are paying their own rent.
- 3.49 For those households paying their own rents, 65% expected to become owner occupiers, 24% expected to remain in the private rented sector and only 6% expected to move to the social rented sector. Therefore, there is a much higher expectation of moving to owner occupation and a much lower expectation of moving to social rent, particularly for couples aged under 60. Tenants aged 60 years or over who are paying their own rent are more likely to expect to move to social rent, but they do represent a relatively small number of households.
- 3.50 For those in receipt of housing benefit, a total of 28% of households had a long-term expectation that they would be owner occupiers, 42% expected to remain in the private rented sector and 25% expected to move to social rent. Therefore, a significant number of the households in receipt of housing benefit expected to move to social rent.

Figure 19: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support for England (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)

Household type	PRS tenants without HB				PRS tenants in receipt of HB			
	Own	Private rent	Social rent	Other	Own	Private rent	Social rent	Other
One person aged 60+	16.2%	38.1%	16.7%	29.1%	4.8%	66.3%	24.2%	4.7%
Couple, no dependent child(ren) aged 60+	13.9%	54.2%	18.2%	13.6%	0.0%	70.8%	29.2%	0.0%
Sub-total	15.4%	43.9%	17.3%	15.7%	3.5%	67.5%	25.5%	3.4%
One person under 60	56.7%	34.1%	5.1%	4.2%	13.5%	47.7%	30.3%	8.5%
Couple, no dependent child(ren) under 60	76.9%	17.1%	4.0%	1.8%	26.0%	58.8%	10.5%	4.7%
Couple with dependent child(ren)	71.7%	19.6%	6.4%	2.3%	53.3%	28.5%	15.9%	2.3%
Lone parent with dependent child(ren)	59.6%	19.8%	8.8%	12.0%	33.1%	31.9%	31.6%	3.4%
Other multi-person households	66.7%	24.8%	2.4%	6.2%	21.3%	44.8%	26.0%	7.9%
Sub-total	65.2%	23.2%	4.7%	3.8%	32.7%	37.1%	25.5%	4.7%
Total	64.8%	24.5%	5.6%	5.0%	27.9%	42.1%	25.5%	4.4%

Additional Need for Affordable Home ownership

- 3.51 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 20 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 20: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Exmoor NP Within Somerset West & Taunton							
Single person	0	3	1	0	4	0	8
Couple without children	0	9	2	12	13	0	36
Families with child(ren)	0	0	3	5	0	0	9
Other households	0	1	0	1	1	0	3
Total	1	13	6	18	17	0	56
Percentage of households	1%	24%	11%	32%	31%	0%	100%

- 3.52 Based on this analysis, we can estimate that there is a total of around 56 households currently resident in Exmoor NP within Somerset West & Taunton who cannot afford to own their own home but would aspire to do so.
- 3.53 In addition to the current need, it is also important to consider new households that are projected to form over the period 2020-2031. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 22 households in Exmoor NP within Somerset West & Taunton that form over the 11-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, in Exmoor NP within Somerset West & Taunton there are likely to be 78 households who aspire to homeownership but who cannot afford to buy their own home over the period 2020-31, a net annual need of 7 per year.**

- 3.54 The government have recently introduced a new housing product entitled First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. It is also important to recognise that First Homes are not an applicable policy in national parks. While, paragraph 72 of the NPPF 2021 states that:

"Local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless the need for such homes is already being met within the authority's area. These sites should be on land which is not already allocated for housing and should:

a) comprise of entry-level homes that offer one or more types of affordable housing as defined in Annex 2 of this Framework; and

b) be adjacent to existing settlements, proportionate in size to them³⁵, not compromise the protection given to areas or assets of particular importance in this Framework³⁶, and comply with any local design policies and standards.

- 3.55 Footnote 36 of paragraph 72 states that:

³⁶ *i.e. the areas referred to in footnote 7. Entry-level exception sites should not be permitted in National Parks (or within the Broads Authority), Areas of Outstanding Natural Beauty or land designated as Green Belt.*

- 3.56 This is further clarified in PPG which states that:

Where can First Home exception sites come forward?

First Homes exception sites can come forward on unallocated land outside of a development plan. They cannot come forward in areas designated as Green Belt, or designated rural areas as defined in Annex 2 of the National Planning Policy Framework. In these areas rural exception sites are the sole permissible type of exception site.

Planning Practice Guidance, ID: 70-025-20210524

- 3.57 Annex 2 of the NPPF defines designated rural areas as follows: "*Designated rural areas: National Parks, Areas of Outstanding Natural Beauty and areas designated as 'rural' under Section 157 of the Housing Act 1985*"
- 3.58 While First Homes policy does not apply in Exmoor NP, the same level of affordability would support other forms of affordable to own products such as Discount Market Sale or Shared Ownership. It is also the case that the adopted Exmoor NP Local Plan does consider the need for affordable to own housing and provides for this in principle provided the dwellings remain affordable in perpetuity. We have therefore calculated the affordable to own figures to highlight the potential need for these products in Exmoor NP.

Identifying the Overall Affordable Housing Need

- 3.59 Figure 21 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 11-year period 2020-31. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 21: Total need for affordable housing 2020-2031 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Exmoor NP Within Somerset West & Taunton			
Current housing need in 2020	57	56	113
Future housing need 2020-31	58	22	80
TOTAL HOUSING NEED	115	78	193

- 3.60 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 193 households in Exmoor NP within Somerset West & Taunton over the 11-year period 2020-2031, equivalent to an average of 18 per annum.
- 3.61 This represents more than the annual growth of households per annum identified by the household projections for the LHN period 2020-2031 (Figure 6). This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

- 3.62 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.
- 3.63 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without

financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.

- 3.64 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided.
- 3.65 Given this context, Figure 22 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- 3.66 Of the 78 households in Exmoor NP within Somerset West & Taunton who can afford to rent but who aspire to homeownership, there would be 13 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 19 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 36 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 22: Affordable homeownership housing mix by household affordability 2020-2031 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
Exmoor NP Within Somerset West & Taunton							
1 bedroom	11	3	8	2	6	5	1
2 bedrooms	39	7	32	9	24	19	5
3 bedrooms	25	3	22	7	15	12	4
4+ bedrooms	3	0	2	1	1	1	0
TOTAL	78	13	65	19	46	36	10

- 3.67 On this basis, 10 dwellings are needed in Exmoor NP within Somerset West & Taunton for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold.
- 3.68 Whilst it will be a local policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 10 households in Exmoor NP within Somerset West & Taunton likely to form an effective demand (i.e., those able to afford the various products that will potentially be available) in addition to the

households unable to afford to rent or own market housing. Figure 23 provides a breakdown of the affordable housing on this basis.

Figure 23: Overall need for Affordable Housing 2020-31, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
Exmoor NP Within Somerset West & Taunton			
1 bedroom	35	1	36
2 bedrooms	46	5	51
3 bedrooms	25	4	29
4+ bedrooms	9	0	9
TOTAL HOUSING NEED	115	10	125

- 3.69 The LHNA identifies an overall affordable housing need from 125 households in Exmoor NP within Somerset West & Taunton over the 11-year period 2020-31 (11 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access an affordable homeownership product.
- 3.70 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Overall Housing Need for 2020-31

- 3.71 The overall need for affordable housing of 125 in Exmoor NP within Somerset West & Taunton is a household figure. To convert this to dwellings requires the application of a vacancy and second homes dwelling rate to allow for the fact that at any one time some properties will be empty.
- 3.72 At the time of the 2011 Census, the vacancy rate in Exmoor NP within Somerset West & Taunton was just under 16%. Somerset West & Taunton Council were able to provide current information showing the currently there are 521 homes classified as second homes for Council Tax Purposes and 82 properties are listed as long-term empty. This amounts to just under 14% (603 properties from a total of around 4,400 dwellings) of the entire housing stock of Exmoor NP within Somerset West & Taunton, but is almost entirely in the market housing sector, which has a vacancy and second home rate of over 17% (603 from a total of around 3,650 dwellings). These figure do not include properties which are empty on a more short-term basis for reasons such as being for sale or one household moving out before another moves in.
- 3.73 For this study we have used two different vacancy rates. For the affordable housing sector we have assumed a very low rate of vacancies at around 1%. However, we have included a much higher vacancy and second home rate of around 22% in the market housing sector which covers all of the impact of second and holiday homes plus short-term transactional vacancies. The impact of these changes is to uplift the need for 152 households set out in Figure 17 to a total of 161 dwellings for the 5 year migration trend model.
- 3.74 Overall, we would propose that the 5-year migration trend model which shows a need for 161 dwellings over the 11 year period, or 15 dwellings per annum is the best model for Exmoor NP. This is the total need for

housing, with the affordable housing need being 126 dwellings over the 11 year period, or 11 dwellings per annum. This figure is consistent with the 5 year migration trends used in the standard method for Local Housing Need for Somerset West & Taunton, but allows for the differences in population structure between Exmoor NP and the wider local authority. We have retained the simple proportion of Somerset West & Taunton LHN and also the 10 year migration model for transparency, but we would recommend focusing upon the 5 year migration trend model.

Figure 24: Household need 2020-31 for Exmoor NP within Somerset West & Taunton based on three alternative assumptions
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Affordable Home Ownership			
	Social rent	Affordable Rent				
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2020-31 – SIMPLE PROPORTION OF LA LHN						
1 bedroom	34	2	20	57	-14	43
2 bedrooms	40	7	30	76	17	93
3 bedrooms	20	6	20	46	146	193
4+ bedrooms	7	3	2	12	69	80
DWELLINGS	100	18	73	191	217	408
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2020-31 – 5 YEAR BASED MIGRATION PROJECTION						
1 bedroom	33	2	1	37	-12	25
2 bedrooms	39	7	5	51	-6	45
3 bedrooms	19	6	4	29	37	65
4+ bedrooms	6	3	0	10	17	27
DWELLINGS	98	18	10	126	35	161
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2020-31 – 10 YEAR BASED NET MIGRATION PROJECTION						
1 bedroom	15	1	1	17	-15	2
2 bedrooms	17	3	5	25	-26	-1
3 bedrooms	9	3	3	15	-29	-14
4+ bedrooms	3	1	0	5	-11	-6
DWELLINGS	44	8	9	62	-81	-19

Overall Housing Need for 2011-31

- ^{3.75} The same model utilised for the period 2020-31 can also be used to consider the needs from 2011-31. To undertake this assessment we have not analysed migration trends for 2001-11 or 2006-11. Instead, we have used the same migration trend for 2008-18 for the 10 year trend model and 2013-18 for the 5 year migration trend period. The model is then applied to the 2011 households and dwellings in Exmoor NP within Somerset West & Taunton to generate outputs for the period 2011-31.
- ^{3.76} Figure 25 shows that the 5 year migration trend for the period 2011-31 provides a total need for 361 dwellings within Exmoor NP within Somerset West & Taunton, with an affordable need of 194 dwellings, or nearly 10

dwellings per annum. While this is lower than the figures used at the Exmoor NP Local Plan Examination, it is not hugely out of line with the existing indicative figure for affordable housing in Exmoor NP.

Figure 25: Household need 2011-31 for Exmoor NP within Somerset West & Taunton based on three alternative assumptions
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Affordable Home Ownership			
	Social rent	Affordable Rent				
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2011-31 – SIMPLE PROPORTION OF LA LHN						
1 bedroom	54	3	20	78	-2	76
2 bedrooms	63	11	30	104	42	145
3 bedrooms	31	10	20	61	199	260
4+ bedrooms	10	4	2	17	91	108
DWELLINGS	158	29	73	259	329	589
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2011-31 – 5 YEAR BASED MIGRATION PROJECTION						
1 bedroom	53	3	1	58	-6	52
2 bedrooms	62	11	5	78	16	94
3 bedrooms	31	9	4	44	109	153
4+ bedrooms	10	4	0	15	48	63
DWELLINGS	156	28	10	194	167	361
EXMOOR NP WITHIN SOMERSET WEST & TAUNTON 2011-31 – 10 YEAR BASED NET MIGRATION PROJECTION						
1 bedroom	35	2	1	38	-12	26
2 bedrooms	40	7	5	52	-15	38
3 bedrooms	20	6	3	30	8	37
4+ bedrooms	7	3	0	10	5	15
DWELLINGS	102	19	9	130	-14	116

Conclusions

- ^{3.77} The evidence base for the adopted Exmoor NP Local Plan 2011-31 calculated an overall housing need 2011-31 of 316 dwellings. With uplifts this rose to 541 (market and affordable housing) across both the West Somerset and North Devon parts of Exmoor NP. In practice the Exmoor NP Local Plan is only providing for the indicative affordable housing need figure arising in the (then) West Somerset part of Exmoor NP and this amounts to 238 dwellings over 20 years, or 12 per annum. The North Devon element of the figure is included in the North Devon & Torridge Local Plan housing requirement.
- ^{3.78} As noted in paragraph 1.8, Policy M1-S1 'Monitoring and Review of Affordable Housing Need and Provision' of the adopted ENP Local Plan requires the National Park Authority to complete a review of the indicative affordable housing need figure for the Plan period set out in paragraph 6.32 of the Plan (238 affordable dwellings), on the basis of the latest available evidence. An increase of more than 20% in the Plan's indicative affordable housing need figure of 238 dwellings 2011-31 would trigger a full or partial review of the Plan. In

this current study, we have reviewed the latest available evidence for housing needs for Exmoor NP within Somerset West & Taunton. Using more localised evidence than was set out in the Local Plan evidence base, we have found a small decrease in the figure and that the affordable housing need for the area 2011-31 is 194 dwellings or nearly 10 affordable housing units per annum. Therefore, the evidence provided in this current study is extremely consistent with, and slightly lower than, the indicative affordable housing need figure in the adopted Local Plan.

Appendix A

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Appendix B

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the Revised NPPF, which specifies the main categories of affordable housing to be: affordable housing for rent; starter homes; discounted market sales housing (sold at a discount of at least 20% below market value); shared ownership, relevant equity loans, other low cost homes for sale and rent to buy

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the HNA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2011 Census.

Concealed families are defined as; *"family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"*¹⁰.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: *"the proportion of people in each age group and household type who are the 'head' of a household"*¹¹

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme a share is purchased in the property with a Housing Association or other organisation. Rent is then paid on the unowned portion. Many schemes allow for the future purchase of further shares until the property is wholly owned.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Vacancy Rate is the percentage of units that are unoccupied at any given time (e.g. second homes, long term vacants, homes awaiting occupation etc.). Currently, the most accurate local authority level measure of this is the Census. Separate rates for both market and social dwellings are used in this document.

Acronyms and Initials

BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
DPA	Dwellings per Annum
DWP	Department of Work and Pensions
HCA	Homes and Communities Agency
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
MHCLG	Ministry for Housing, Communities and Local Government
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
RP	Registered Provider
SHOP	Strategic Housing for Older People
SHMA	Strategic Housing Market Assessment